

MEMORANDUM ON FINANCIAL PROVISIONS,
BASED ON ESTIMATES OF REVENUE
AND EXPENDITURE IN THE
FINANCIAL YEAR 1913-14.

Presented to the House of Commons by Command of His Majesty.



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MEMORANDUM ON FINANCIAL PROVISIONS.

Irish Revenue and Expenditure.

It is estimated that the expenditure for Irish purposes in 1913-14 will be 12,582,000*l.*, and that the revenue to be derived from Ireland in that year (excluding the proceeds of the duties on motor spirit and of the duty on licences for motor cars levied in Ireland, which in accordance with section 19 (2) of the Bill are not treated as the proceeds of an imperial tax levied in Ireland) will be 10,875,500*l.*; the expenditure is therefore estimated to exceed the revenue by 1,706,500*l.*

The estimate of revenue is based on the Budget Estimates for the present financial year. The details are as follows:—

	£
Customs - - - - -	3,265,000
Excise - - - - -	3,274,000
Income Tax - - - - -	1,474,000
Estate Duties - - - - -	480,000
Stamps - - - - -	802,000
Miscellaneous - - - - -	150,500
Post Office - - - - -	1,370,000
Total - - - - -	10,875,500

The estimate of expenditure, so far as it relates to Voted Services, is based on the Estimates for the present financial year as laid before Parliament.

The expenditure for Irish purposes is divided into expenditure on services to be transferred to the Irish Government (in this memorandum called "transferred services") and expenditure on those services for which the Government of the United Kingdom will continue for the present to be responsible ("reserved services"). The estimated cost of all Irish services in 1913-14 is as follows:—

	£
Transferred Services (including Post Office) - - -	6,886,500
Reserved Services - - - - -	5,695,500
Total - - - - -	12,582,000

It will be observed that among the chief variations between the estimates of expenditure for 1913-14 given in this memorandum and the figures of ascertained expenditure for the year 1912-13 given in the previous memorandum published this session [Cd. 6844] are the increases in expenditure for charges under the Land Purchase Acts (82,000*l.*), National Insurance and Labour Exchanges (181,500*l.*), and Post Office (61,000*l.*). Against the estimated increase in expenditure for the Post Office is to be set an estimated increase of revenue of 50,000*l.*

It must be borne in mind, however, that the figures given in the two memoranda are not strictly comparable: those in Cd. 6844 are based on Exchequer Issues which represent, so far as can be ascertained, the actual expenditure of the year 1912-13; those in this memorandum are based in the main on the Estimates for 1913-14 as presented to Parliament. As stated on page 3 of Cd. 6486, any figures based on the Civil Service Estimates for a particular financial year are liable to disturbance for various reasons referred to therein, the net result of which is ordinarily a saving.

Comparison may more properly be made between the estimated cost of the principal services for 1913-14 as stated in this memorandum and the estimated cost of the same services for 1912-13 as stated in Cd. 6154, which were based on the Civil Service Estimates for 1912-13.

Among the principal changes shown by this comparison are charges under the Land Purchase Acts (increase 82,500*l.*), National Insurance and Labour Exchanges (increase

228,000*l.*), Post Office (increase 20,000*l.*), Old Age Pensions (decrease 46,000*l.*). It was stated in Cd. 6154: "It is anticipated that in a period of 10 or 15 years the charges under the existing Land Purchase Acts will increase by 450,000*l.*, and " under the National Insurance Act by 300,000*l.* On the other hand, it is estimated " that within 20 years the cost of Old Age Pensions will decrease by 200,000*l.*" The increase in the cost of National Insurance in the Estimates for 1913-14 over those for 1912-13 is due partly to the fact that in 1912-13 provision to meet a full year's charges was not in all cases required to be made, and partly to the sums required in 1913-14 for special grants for National Health Insurance and the treatment of tuberculosis.

In comparing the estimated total revenue and expenditure for 1912-13 and 1913-14, as given in Cd. 6154 and in this memorandum respectively, an adjustment must be made on the revenue side of 44,000*l.* on account of the proceeds of the duties on motor spirit, &c., which in accordance with section 19 (2) of the Bill are not included in the figures in this memorandum, and on the expenditure side of 14,000*l.* in respect of the cost of the services of the Exchequer and Audit Department and Civil Service Commission on Irish account, which were not included in Cd. 6154. Allowing for these corrections, the revenue estimates for 1913-14 show an increase of 80,500*l.* and the expenditure estimates an increase of 214,000*l.* If the increase in expenditure on account of National Insurance and Labour Exchanges were excluded, the estimates of expenditure would show a decrease of 14,000*l.*

Revenue and Expenditure Accounts.

The amount at which the Transferred Sum would have stood had the provisions of the Bill been in operation in 1913-14 may be calculated as follows (apart from any adjustments which might have been made by the Joint Exchequer Board established by the Bill):—

	£
The expenditure on the Transferred Services (including the Post Office) is estimated at	6,886,500
Adding the surplus, which for the first three years is fixed at	500,000
We have	7,386,500
<i>Deduct</i> the estimated revenue to be received by the Irish Government, viz:—	
Post Office Revenue	1,370,000
Irish Fee Stamps	82,000
	1,452,000
And we have the "Transferred Sum"	5,934,500

The Irish Government's Budget would therefore balance as follows:—

Revenue.	£	Expenditure.	£
Transferred Sum	5,934,500	Cost of Transferred Services (including P.O.)	6,886,500
Post Office	1,370,000	Surplus	500,000
Irish Fee Stamps	82,000		
	7,386,500		7,386,500

The Imperial Government's receipts and expenditure on Irish account would balance as follows:—

Revenue.	£	Expenditure.	£
Irish Revenue (excluding Post Office and Irish Fee Stamps)	9,423,500	Transferred Sum	5,934,500
Deficit	2,200,500	Cost of Reserved Services	5,695,500
Total	£11,630,000	Total	£11,630,000

Cost of Reserved Services.

The estimated cost in 1913-14 of each of the principal Reserved Services is—

	£
Old Age Pensions - - - - -	2,618,000
Charges under Land Purchase Acts - - - - -	793,500
National Insurance and Labour Exchanges - - - - -	419,500
Royal Irish Constabulary - - - - -	1,370,500
Collection of Revenue - - - - -	321,000
Lord Lieutenant and Household - - - - -	19,500
Other Services - - - - -	153,500
Total - - - - -	5,695,500

Notes.

- (1) The estimated charges under the Land Purchase Acts are calculated thus:—

Expenditure from Land Commission Vote on Land Purchase Services - - - - -	£ 624,500
Portion of the Ireland Development Grant forming part of the Cash Portion of the Guarantee Fund - - - - -	160,000
Salaries of Land Commissioners charged to Consolidated Fund - - - - -	9,000
	<u>£793,500</u>

(2) The estimated expenditure on the National Health Insurance Commission, Ireland, is 300,500*l.*; on Labour Exchanges and Unemployment Insurance, 38,000*l.*; and on National Health Insurance, Special Grants, 42,000*l.* The balance of the total of 419,500*l.* is in respect of the apportionment to Ireland of part of the cost of National Health Insurance Audit Department, Joint Committee, &c.

(3) The salary of the Lord Lieutenant is 20,000*l.* and the expenses of the Household 4,500*l.* 5,000*l.* is to be paid by the Irish Government, and the balance of 19,500*l.* is the figure shown above.

- (4) The other Services are—

	£
Public Works and Buildings - - - - -	43,500
Board of Trade and Mercantile Marine - - - - -	31,000
Stationery and Printing - - - - -	20,000
Valuation, &c., Survey - - - - -	17,500
Rating of Government Property - - - - -	6,500
Public Works Office - - - - -	8,000
Superannuation (Civil Departments) - - - - -	7,000

and various small charges in respect of the expenditure of the Treasury, Audit Office, Civil Service Commission, &c., in respect of the Reserved Services.

With respect to certain of the above services, arrangements may be made under the powers given by the Bill for their performance by officers of an Irish Department on behalf of the Government of the United Kingdom, with whom the responsibility would continue to rest. The remuneration of the Irish Government would not form part of the Transferred Sum, but would be made by a special payment.

Details of Estimates of Revenue and of Cost of Transferred Services.

Details of the estimates of Revenue and of the cost of the Transferred Services will be found in Appendices A and B respectively.

APPENDIX A

Department's Income Budget Estimates

	As estimated					As recommended				
	By Budget	By Forecast	By Actual	By other sources	Total	By Budget	By Forecast	By Actual	By other sources	Total
Continued	27,400,000	3,000,000	1,000,000	—	31,400,000	27,400,000	3,000,000	1,000,000	—	31,400,000
Income	24,800,000	3,100,000	2,000,000	—	29,900,000	24,800,000	3,100,000	2,000,000	—	29,900,000
Income, By Source	24,800,000	3,100,000	2,000,000	—	29,900,000	24,800,000	3,100,000	2,000,000	—	29,900,000
Income	4,400,000	500,000	100,000	—	4,900,000	4,400,000	500,000	100,000	—	4,900,000
Local Tax	1,000,000	200,000	—	—	1,200,000	1,000,000	200,000	—	—	1,200,000
Income Tax	1,000,000	200,000	—	—	1,200,000	1,000,000	200,000	—	—	1,200,000
Income Tax	4,400,000	3,000,000	1,000,000	—	8,400,000	4,400,000	3,000,000	1,000,000	—	8,400,000
Local Police Income	100,000	10,000	10,000	—	120,000	100,000	10,000	10,000	—	120,000
Total Estimated from Table A	100,000,000	10,000,000	11,000,000	—	121,000,000	100,000,000	10,000,000	11,000,000	—	121,000,000
Postal Service	10,000,000	1,000,000	100,000	—	11,100,000	10,000,000	1,000,000	100,000	—	11,100,000
Telephone Service	1,000,000	100,000	100,000	—	1,200,000	1,000,000	100,000	100,000	—	1,200,000
Telephone Service	1,000,000	100,000	100,000	—	1,200,000	1,000,000	100,000	100,000	—	1,200,000
County Loans	100,000	10,000	10,000	—	120,000	100,000	10,000	10,000	—	120,000
Transportation Bus Concessions and other	—	—	—	1,000,000	1,000,000	—	—	—	1,000,000	1,000,000
Local	1,000,000	10,000	10,000	1,000,000	2,020,000	1,000,000	10,000	10,000	1,000,000	2,020,000
Marshallment	1,000,000	10,000	10,000	1,000,000	2,020,000	1,000,000	10,000	10,000	1,000,000	2,020,000
Total Non-Tax Revenues	10,000,000	1,000,000	1,000,000	1,000,000	13,000,000	10,000,000	1,000,000	1,000,000	1,000,000	13,000,000
Assessment Revenues	10,000,000	10,000,000	10,000,000	1,000,000	31,000,000	10,000,000	10,000,000	10,000,000	1,000,000	31,000,000
Per cent	10.00	10.00	10.00	1.00	25.60	10.00	10.00	10.00	1.00	25.60

* This total includes projected underpayments and interest on income taxes, which are estimated from the results on page 3, (c).

Total income 100,000,000

Water and sewer charges collected by District 100,000,000
Water and sewer charges collected by District 100,000,000

100,000

APPENDIX B.

ESTIMATED EXPENDITURE ON TRANSFERRED SERVICES IN 1913-14.

	£	
Consolidated Fund	-	115,500
Payments to Local Taxation Accounts	-	1,417,000
Voted Services—		
Class I. (Public Works and Buildings):—	£	£
Surveys	52,500	
Rates on Government property	25,000	
Public Works and Buildings	205,500	
Railways	48,500	
Other Services	1,000	
		332,500
Class II. (Salaries and Expenses of Civil Departments):—		
Department of Agriculture, &c.	140,500	
Congested Districts Board	170,000	
Local Government Board	110,500	
Public Works Office	37,000	
Valuation, &c. Survey	24,500	
Stationery and Printing	42,500	
Chief Secretary's Office	27,000	
Registrar General's Office	13,000	
Public Record Office	7,000	
Treasury, Home Office, Audit Office, Civil Service Commission, &c.	26,000	
		598,000
Class III. (Law and Justice):—		
Law Charges, &c.	65,500	
Supreme Court, &c.	114,000	
County Court Officers	110,500	
Dublin Metropolitan Police	98,000	
Prisons	111,000	
Reformatory and Industrial Schools	112,000	
Land Law Services (Part of Land Commission Vote)	23,000	
Dundrum Criminal Lunatic Asylum, &c.	8,500	
		642,500
Class IV. (Education, Science and Art):—		
Public Education	1,737,500	
Science and Art	140,500	
Universities and Colleges	126,000	
Other Services	6,500	
		2,010,500
Class VI. (Non-effective and Charitable Services):—		
Superannuation	72,500	
Hospitals and Charities	17,000	
		89,500
Class VII. (Miscellaneous):—		
Ireland Development Grant (part of)	25,000	
Other Services	6,000	
		81,000
		3,704,000
Post Office	-	5,266,500
	-	1,620,000
		£6,886,500